



Northwest Arctic Borough

SERVING THE COMMUNITIES OF:

Ambler Buckland Candle Deering Kivalina Kiana
Kobuk Kotzebue Noatak Noorvik Selawik Shungnak

Northwest Arctic Borough Assembly
Budget, Audit & Finance Committee Meeting Minutes - DRAFT
Monday, December 21, 2015 – 1:30 P.M.
Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

CALL TO ORDER

Madam Chair Nelson called the meeting to order at 1:30 P.M.

INVOCATION

Member Cleveland provided invocation.

ROLL CALL

Budget, Audit and Finance Committee Members Present:

Miles Cleveland Sr. Elmer Armstrong Jr. Lucy Nelson

Other Members Present

Hannah Loon	Austin Swan Sr.	Walter Sampson	Pete Schaeffer
Larry Westlake Sr.	Nathan Hadley Jr.	Clyde Ramoth	Winona Hawley

Introduction of Staff and Guests

Clement Richards Sr.	Stella Atoruk	Rosny Rizk	Eugene Smith
Brad Reich	Patrick Savok	Noah Naylor	Kathleen Lansdale
Martha Henry	Christine Hess	Mildred Stalker	Anna Crary

A quorum was present to conduct business.

APPROVAL OF AGENDA

Agenda presented for December 21, 2015 for approval. Member Loon request to add CIAP executive session. Mayor Richards request to add Glenn Gray, Resolution 15-45, Ordinance 15-09 and 15-10 to the agenda.

Member Cleveland motioned, Member Armstrong seconded to approve agenda as amended. Motion passed unanimously.

APPROVAL OF PREVIOUS MINUTES

Minutes of November 23, 2015 Budget, Audit and Finance presented for approval.

Member Armstrong motioned, Member Cleveland seconded to approve the minutes as presented. Motion passed unanimously.

COMMUNICATIONS AND APPEARANCES

Rosny Rizk summarized the financial report ending November 30, 2015.

Member Loon raised concern regarding Item 10 Kivalina Heavy Equipment fund, CIAP and Shell Improving Subsistence fund, Arctic Economic Development fund, Kivalina Evacuation Road fund, Kivalina Erosion Protection, CIAP Sustainable Tourism, CIAP Marine Debris, CIAP Green Initiative, CIAP Region-wide Waste Management, also raised concern regarding new and old revenues.

Member Nelson suggest Member Loon work through Mayor Richards to get familiar with the funds.

Member Loon raised concern regarding updating the website.

Madam Chair requested explanation of fund 18 & 45-1, it appears the funds have been overspent; requested a report from APCM; suggested if we need to look at other Investment Firms maybe that's what we need to do; also raised concern regarding uncertainty of the PILT.

Member Loon raised concern regarding Inupiaq Language Commission, Healthy Communities and Wellness, Regional Elders Support funds.

Member Westlake the Regional Elders Support and the Language Commission are an annual request that the Elders put in to the Borough to help out their operation.

Member Sampson based on what's been giving to this point and with uncertainties that we have for the future you might want to give us some rough numbers if that's what it takes in regards to what actually we have to run the governance with after education is paid, how much on an annual basis we pay our debt and the \$400,000 that we lost on investment and what do we have left at the end with the existing budget that were looking at. The reason I'm asking is because we need to look at what our actual budget is if there is uncertainty in the future in regards to what and how the negotiations are going, in the event that we should fail then we have no choice but to revert into our kitty and in that case were going to have to look at the approximate time of how long that kitty can take us down the road, which means that at some point were going to have to start cutting somewhere and that cutting is going to have to be prioritized that's why I'm trying to ask those questions, hopefully looking down the future on our budgeting. What do we have in place in writing with our investors in regards to looking at changing over to hopefully somebody that can provide a little bit of income without having losses to our investments?

Madam Chair I think what we're asking is that they need to have a more presence because of what we're seeing, were not gaining anything on having our portfolio with this firm, I understand what long-term means, long-term investment plan however we plan a \$400,000 budget and you have general funds that are covered by that budget and so that's where I need more clarification, what kind of forecast are we going to have by the end of the fiscal year? Should we even have a budget in there, why do we have money with them and why isn't it earning anything, we should at least be earning 1%.

Mayor Richards I was going to ask them to make a presentation at the Retreat so we can get more informative that way you can have more direct questions for them as well.

PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

1. **Ordinance 15-05am01** *an ordinance of the Northwest Arctic Borough Assembly providing for the establishment and adoption of the line item budget amendment for the fiscal year 2016.*

Member Sampson raised concern regarding community revenue sharing. Member Loon raised concern regarding 10 CIAP Grants. Madam Chair raised concern regarding passing the budget as presented due to uncertainty of the PILT agreement, suggest tabling. Member Sampson echo concerns. Member Loon raised concern regarding Bond Debt Service. Mayor Richards I am in the process of working on the Strategic Plan. Member Hadley recommends tabling the Ordinance until after the Retreat. Mayor Richards raised concern regarding budget for Retreat. Member Cleveland mentioned that we are at a time where we take risks.

Member Cleveland recommend do pass.

2. **Ordinance 15-09** *an ordinance of the Northwest Arctic Borough Assembly approving a contract for copier/printing services with Konica/Minolta, and for related purposes.*

Member Armstrong recommend do pass.

3. **Ordinance 15-10** *an ordinance of the Northwest Arctic Borough Assembly amending Chapter 2.12 of the Borough Code to include a Chief of Staff position.*

Member Cleveland recommend do pass.

INTRODUCTION OF ORDINANCES

None Presented.

RESOLUTIONS

1. **Resolution 15-55** *a resolution of the Northwest Arctic Borough Assembly accepting a grant from Alaska Housing Finance Corporation for Public Safety Housing in Ambler and for related purposes.*

Member Armstrong recommend do pass.

Legal Anna Crary the question is whether we have a separate resolution for the existing Remote Solutions Contract right now and the answer is no, the remote solutions contract essentially needs to be extended the current amount that is allotted for that contract is not going to change, essentially what needs to happen is the extension of time until the end of this fiscal year for that contract to be completed, so under the Borough Code a resolution is not necessary to approve that extension so our recommendation is we won't be presenting a resolution as such.

Brad Reich basically the contract was \$92,500 that you had last year and they extended it and the total spent so far is \$70,629 so it hasn't exceed the \$25,000 that the Mayor can actually sign over so that's why we decided not to push it through but to let it close out at the end of this fiscal year so we don't have to do all that paperwork, were trying to follow code im just learning the code, we want to make sure that everything is, also I've got a hand out that I was going to show you that it's all coming from grants not the Borough so I'll give the hand out at the Work Session.

Patrick Savok in conjunction to the Resolution 15-45 that was the tabled resolution for Glenn Gray's contract as we worked this last week with Remote Solutions as well as Glenn Gray we do have a summary for you of where our Comprehensive Plan currently sits right now, what we need to do with his contract in order to keep this documentation going is trying to marry the Remote Solutions Village Comprehensive Plan with our Borough Comprehensive Plans along with all you assembly members at our Retreat, based on the comments Assembly Member Sampson made earlier as well as Assembly Woman Loon this is what were working on for our retreat for all of us to get input, there are going to be some blank spots that Glenn Gray has highlighted here but in order for him to continue the work his fund are exhausted right now, hes got a couple options in here on how we could move forward with either getting our data and not renewing our contract or working in a \$25,000 which he was already shorted for the 2015 year as he notes on his narrative here Mayor Joule just did a \$25,000 contract as opposed to a resolution for \$50,000 which we normally done over the years, we do have it budgeted in the Planning Department to have the \$50,000 back in for next year cause as we all know this is very critical information and to get something in front of you today im really proud because I know we pushed years for this stuff and we could see where its actually at but without renewing it we wont be able to marry the Remote Solutions Village Comprehensive Plans with our Borough one at our retreat. Thank you.

2. **Resolution 15-45** *a resolution of the Northwest Arctic Borough Assembly authorizing a professional services agreement with Glenn Gray and Associates.*

Member Cleveland recommend do pass.

10 minute break.

OTHER BUSINESS

Madam Chair Executive session for discussion on CIAP Grant. Meeting called back to order, no decisions made.

COMMITTEE COMMENTS

None presented.

AUDIENCE COMMENTS

None presented.

ADJOURNMENT

With no other business to discuss, the meeting adjourned at 3:12 P.M.

Member Cleveland motioned to adjourn.